



Public Service Commission of Wisconsin

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PSC Adjusts NSP Rate Request

MADISON - The Public Service Commission of Wisconsin adjusted Northern States Power Company's request for an increase in electric rates due to increased electric and natural gas fuel expenses for 2005.

In a verbal decision, the Commission granted an approximate 4% increase in residential electric rates. Based on typical usage of 600 kilowatt hours per month, an average electric residential bill of \$47.26 may increase by approximately \$1.90 per month. A written order will finalize the rates granted in the decision. PSC staff is expected to complete the written order within two weeks.

Northern States Power Company (NSP) filed its application in August asking to increase electric service rates by about \$17.3 million to meet the costs of operation. The PSC's audit of the utility's operating expenses determined additional revenue was necessary to provide reliable service to Wisconsin consumers for the next year. The staff's audit used current market prices which show an increase in forecasted fuel costs, increasing the amount of revenue needed to provide reliable service to NSP customers.

The Commission has made maintaining reasonable rates a priority as outlined in the PSC's Strategic Energy Assessment. The Commission is committed to analyzing rate design and cost-of-service studies in order to provide reliable, cost-effective service for all Wisconsin consumers and will continue to do so for all future rate cases.

A hearing was held November 18th in Madison regarding NSP's application. The testimony provided at the hearing became part of the record developed for the Commission to review as it considered all the aspects of the application. In making its decision, the Commission had the option to approve the application as submitted, modify the request or deny the application.

The documents associated with NSP's application can be viewed on our Electronic Repository System at <http://psc.wi.gov/>. Click on ERF System, select Search Electronic Repository System and enter docket #4420-UR-113.

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